

FISCAL NOTE

HB 833

February 21, 2005

SUMMARY OF BILL: Authorizes local governments to enact an adequate facilities tax on new development. The tax would be payable at the time a new building permit or certificate of occupancy was issued. The tax may be based on the square footage of residential or non-residential development.

ESTIMATED FISCAL IMPACT:


Increase Local Govt. Revenues – Exceeds \$1,000,000 / Permissive
Increase Local Govt. Expenditures – Exceeds \$100,000 / Permissive

Assumptions:

- Several counties will adopt the adequate facilities tax.
- The adequate facilities tax in Cheatham County generated an average of \$643,857 over the last three fiscal years.
- The impact on revenues depends on the number of local governments choosing to impose such tax under the provisions of the bill and the rate set. The increase in revenues statewide is estimated to be significant and could exceed \$1,000,000.
- The impact on local government expenditures depends on the resources already available to a local government to collect the tax provided in the bill. For local governments requiring computer system changes, additional staff or other resources, the increase in expenditures could exceed \$100,000 statewide.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director